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PROOF

OCT 25 1960

*Turn*  
*A. T. N. Woodroffe*  
*EM 6-3071*  
*Hoyle Mining Company Limited*

25 KING STREET WEST  
TORONTO 1, CANADA  
EMPIRE 6-3071

October 21, 1960.

TO THE SHAREHOLDERS:

Of major importance to all shareholders this booklet contains the following:

	PAGE
Letter from your Company - - - - -	1
Notice of a general meeting of the shareholders of your Company to be held at the Royal York Hotel, Toronto, Ontario, on Wednesday, November 9, 1960 at the hour of 10.30 o'clock in the forenoon (Toronto time) - - - - -	3
Letter from Ventures Limited to your Company - - - - -	5
Agreement dated October 21, 1960 between Ventures Limited and your Company -	6
Audited Schedule of Estimated Break-up Value - - - - -	8
Audited Financial Statements - - - - -	10

Yours truly,

*Alie anowz*

Secretary.

FOR RELEASE  
THURSDAY OCT. 27.







# *Hoyle Mining Company Limited*

25 KING STREET WEST

TORONTO 1, CANADA

EMPIRE 6-3071

October 21, 1960.

## TO THE SHAREHOLDERS:

The directors of your Company have come to the conclusion that it would be advantageous to all shareholders if your Company sold such of its assets as cannot conveniently be distributed to shareholders, retired its outstanding preference shares, paid off its liabilities, and distributed its remaining assets pro rata to the shareholders. Among the reasons for this conclusion are the following:

- (a) Neither the properties which formerly constituted the old Hoyle gold mine nor any other properties held by your Company warrant in the opinion of your directors further exploration work under present conditions. As your Company has had very little income during past years no general exploration programme has been attempted. Your Company has, therefore, become a holding company with the result that any income received by it, particularly if Opemiska Copper Mines (Quebec) Limited commences the payment of dividends as it is expected to do, will probably be used firstly to pay administration expenses, then to pay preference dividends, then to redeem preference shares, and only thereafter to pay dividends on the common shares.
- (b) The net market price of your Company's assets after deducting the claims of preference shareholders and liabilities appreciably exceeds the market price of the common shares of your Company.

In view of the foregoing your Company has, subject to your confirmation, entered into an agreement with Ventures Limited whereunder Ventures agrees to purchase certain assets of your Company for cash after which your Company would take the necessary steps leading up to a distribution of its remaining assets pro rata to the shareholders and the surrender of its charter. The agreement provides that Ventures would pay market price for the assets purchased which have a quoted market price and \$1,000,000 for the assets purchased which have no quoted market price. Ventures has agreed not to vote the shares of your Company owned by it either for or against the confirmation of the agreement or any special resolution authorizing the sale of assets of your Company to it.

Upon this distribution shareholders of your Company would receive in respect of each share held, two-thirds of a share of Opemiska, one-fifteenth of a share of United Keno Hill Mines Limited, one share of Onaping Mines Limited, and it is expected, 35¢ in cash. Based on current market prices this will represent a total distribution of \$4.58 per share. Onaping is a wholly-owned subsidiary of your Company which has been recently formed to hold mining properties in the Sudbury Basin District in the Province of Ontario formerly owned by your Company. It is impossible at this time to determine whether or not these properties have any value.

All of the directors of your Company other than Mr. H. R. Jackman are directors or officers of Ventures and, therefore, it is inappropriate for them to comment upon the price offered by Ventures for the assets of your Company which have no quoted market price. Mr. Jackman, however, has authorized us to inform you that he has consulted the well-known consulting geologist, Duncan R. Derry, Ph.D., P.Eng., who after a careful study has informed him that he believes that \$1,000,000 is adequate to cover the present value of all the assets of your Company which have no quoted market price.





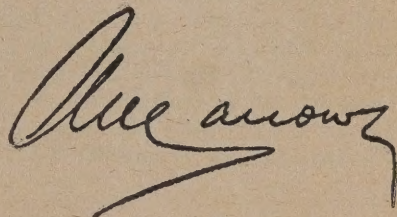


Attached are copies of a letter dated October 21, 1960 which your Company has received from Ventures, the agreement with Ventures referred to above, the audited schedule of estimated break-up value referred to in the letter and audited financial statements of your Company as at October 21, 1960. We believe that these enclosures together with this letter will give you all the necessary information. However, if any shareholder has any question about the transactions contemplated or about the assets of your Company, he is invited to get in touch with the Vice-President of your Company, Mr. G. T. N. Woodrooffe, at the above address.

We enclose, therefore, a notice of a general meeting of the shareholders of your Company to be held at the Royal York Hotel, Toronto, Ontario, on November 9, 1960 at the hour of 10.30 o'clock in the forenoon (Toronto Time). This meeting is called to consider and if deemed advisable to confirm the above-mentioned agreement and a special resolution passed by the directors of your Company authorizing the sale to Ventures of assets of your Company as provided in the agreement. If you duly confirm the agreement and the special resolution then you also will be asked to pass a resolution authorizing the distribution of your Company's assets pro rata to shareholders and the surrender of the charter of your Company.

We also enclose a form of proxy. If you are unable to attend the meeting it is important that you sign and return the form of proxy in the enclosed return envelope after having indicated thereon how you wish your shares to be voted.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read "Allan Brown", written in a cursive style.

*Secretary.*







# *Hoyle Mining Company Limited*

## NOTICE OF A GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that a General Meeting of the Shareholders of Hoyle Mining Company Limited (hereinafter called "the Company") will be held in the Quebec Room, Royal York Hotel, Toronto, Ontario, on **Wednesday, the 9th day of November, 1960** at the hour of 10.30 o'clock in the forenoon (Toronto Time) for the following purposes:

- (a) to consider and if deemed advisable to confirm the Agreement dated October 21, 1960, between Ventures Limited and the Company, providing for, among other things, the sale of certain assets and the undertaking of the Company to Ventures Limited;
- (b) to consider and if deemed advisable to confirm the following special resolution passed by the directors of the Company:

BE AND IT IS HEREBY RESOLVED as a special resolution of the Company that:

- 1. the Company be and it is hereby authorized to sell certain assets and the undertaking of the Company to Ventures Limited, all in accordance with the Agreement dated October 21, 1960, between Ventures Limited and the Company; and
  - 2. the directors and officers of the Company be and they are hereby authorized and directed to do, sign and execute all things, deeds and documents necessary or desirable to implement the said Agreement; and
- (c) subject to the due confirmation of the Agreement referred to in (a) above and the special resolution referred to in (b) above, to consider and if deemed advisable to pass a resolution (i) authorizing an application to the Lieutenant-Governor of the Province of Ontario for an Order accepting the surrender of the charter of the Company and declaring it to be dissolved and (ii) as incidental to the surrender of the charter of the Company, authorizing the distribution of the property of the Company rateably among its shareholders according to their rights and interests in the Company and authorizing and directing the directors and officers of the Company to do, sign and execute all necessary or desirable things, deeds and documents.

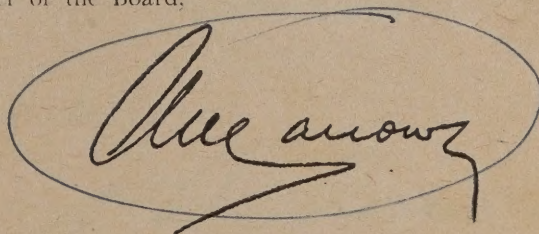
AND FURTHER TAKE NOTICE that of the directors of the Company, Messrs. Barrington, Dix, Fraser, McGowan and Woodrooffe are shareholders, directors and/or officers of Ventures Limited and as such they have an interest in the said Agreement dated October 21, 1960, between Ventures Limited and the Company. The Company is a subsidiary of Ventures Limited.

A copy of the said Agreement together with other material relating thereto accompanies this notice and forms a part hereof. To be effective the resolution referred to in (b) above must be confirmed by at least two-thirds of the votes cast ~~at the meeting~~.

If you cannot be personally present, please sign and return the accompanying proxy to the Company in the enclosed stamped, addressed return envelope.

Dated at Toronto, Ontario, this 21st day of October, 1960.

By Order of the Board,



A.C. GALLOWAY

Secretary.







*Ventures Limited*  
*25 King Street West*  
*Toronto, Ontario*

HOYLE MINING COMPANY LIMITED,  
25 KING STREET WEST,  
TORONTO, ONTARIO.

October 21, 1960.

Dear Sirs:

A study of your company will disclose that your company has in fact become a holding company and the net market value of your assets after deducting liabilities and the claims of preference shareholders appreciably exceeds the market value of your common shares. We think, therefore, that it would be in the best interests of all your shareholders if your company retired its preference shares, paid off its liabilities and distributed pro rata its remaining assets to its shareholders.

The only assets of your company which can conveniently be distributed on a pro rata basis to your shareholders are the shares of Opemiska Copper Mines (Quebec) Limited, United Keno Hill Mines Limited and Onaping Mines Limited, and cash. In order to provide funds to enable your company to purchase its preference shares and to pay off its liabilities, and in order to facilitate the distribution of your assets pro rata to your shareholders, our company (Ventures) is prepared to purchase all the assets of your company which cannot conveniently be distributed to shareholders on the following basis:

- (a) market price for such assets which have a quoted market price; and
- (b) \$1,000,000 in cash for all such assets which have no quoted market price.

Ventures believes that \$1,000,000 is a generous price for such assets of your company which have no quoted market price and it can justify this price to its own shareholders only because it is in its interest, as the holder of more than three-quarters of the common shares of your company, to have your company wound up.

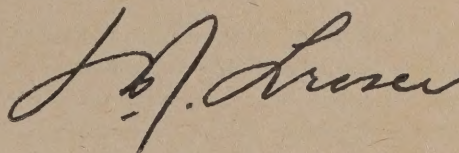
An examination of the audited schedule of estimated break-up value of your company, prepared on the basis of valuing at market price those assets of your company which have a quoted market price, and at \$1,000,000 those assets which have no quoted market price, shows that after the retirement of your company's preference shares and the payment of its liabilities and estimated liabilities, each shareholder of your company will be entitled to receive in respect of each common share held by him, two-thirds of a share of Opemiska, one-fifteenth of a share of United Keno, one share of Onaping and 35¢ in cash.

Enclosed is a proposed agreement, signed by Ventures and dated October 21, 1960 between Ventures and your company, whereunder Ventures agrees to purchase those assets which cannot conveniently be distributed to shareholders at market price for those assets which have a quoted market price and \$1,000,000 cash for all other such assets. The agreement further provides in effect that the preference shares of your company held by Ventures would be purchased for cancellation by your company at their present stipulated redemption price, namely \$102 per share after arrears in cumulative preference dividends have been paid.

The agreement specifically provides that it is not to be binding upon your company unless and until both it and an appropriate special resolution authorizing the sale to Ventures of assets of your company have been confirmed by shareholders of your company. As noted above, Ventures holds more than three-quarters of the common shares of your company and if it votes in favour of the confirmation of the agreement and the special resolution, the effect of this provision becomes meaningless. Ventures has, therefore, specifically agreed not to vote its shares either for or against the confirmation of the agreement or the special resolution. If, however, your shareholders confirm the agreement and the special resolution, then Ventures intends to vote its shares in favour of any resolution authorizing the distribution pro rata of the assets of your company to its shareholders and the surrender of your company's charter.

Yours truly,

VENTURES LIMITED,



President.







THIS AGREEMENT made this 21st day of October, 1960

BETWEEN:

VENTURES LIMITED

(hereinafter called "Ventures")

OF THE FIRST PART

— and —

HOYLE MINING COMPANY LIMITED

(hereinafter called "Hoyle")

OF THE SECOND PART

WITNESSETH as follows:

1. For all purposes hereof:
  - (a) "Opemiska" means Opemiska Copper Mines (Quebec) Limited;
  - (b) "United Keno" means United Keno Hill Mines Limited;
  - (c) "Onaping" means Onaping Mines Limited;
  - (d) "Assets of Hoyle" shall be and include all rights, privileges, powers, immunities, assets and property of Hoyle and the undertaking of Hoyle as a going concern;
  - (e) "Excluded Assets" shall be and include all of the shares of Opemiska, United Keno, and Onaping, at the date hereof owned by Hoyle, namely 2,001,830 shares of Opemiska, 200,183 shares of United Keno, and 3,002,745 shares of Onaping; all dividends received by Hoyle on any of the said shares after the date hereof; and the sum of \$360,642.75 in cash;
  - (f) "Preference Shares of Hoyle" means all the 21,333 issued and outstanding 5¾% cumulative, non-voting preference shares with a par value of \$100 each of Hoyle; and
  - (g) "Closing Time" shall be 2.00 p.m. (Toronto Time) on November 10, 1960 or such other time and day as may be mutually agreed upon.
2. Ventures represents and warrants unto Hoyle:
  - (a) that it is the registered owner of the Preference Shares of Hoyle; and
  - (b) that it has the right to enter into this agreement.
3. Hoyle represents and warrants unto Ventures that it owns the Assets of Hoyle free and clear of all encumbrance.
4. Ventures agrees to purchase from Hoyle and Hoyle agrees to sell to Ventures without warranty of title all of the Assets of Hoyle except Excluded Assets at and for the sum of \$3,431,134 payable by certified cheque at the Closing Time. Hoyle agrees that at the Closing Time it will deliver to Ventures all appropriate conveyances and transfers of the Assets of Hoyle except Excluded Assets.
5. Hoyle agrees that immediately following the Closing Time it will re-value on its books the shares then owned by it in Opemiska and United Keno substituting on its books the then market value (based upon the immediately preceding closing bid price on the Toronto Stock Exchange) of such shares for the book value thereof. Immediately following this action Hoyle agrees to pay the then unpaid dividends accumulated up to September 7, 1960 on the Preference Shares of Hoyle to the extent that it then has surplus, such payment to be made on or before November 11, 1960 or before such later day as may be mutually agreed upon.







6. If the dividend on the Preference Shares of Hoyle is duly paid as contemplated in clause numbered 5 above, then Ventures agrees to sell to Hoyle and Hoyle agrees to purchase for cancellation from Ventures the Preference Shares of Hoyle at a price payable by certified cheque equal to \$102 per share plus any then unpaid dividends accumulated up to September 7, 1960, the transactions of purchase and sale contemplated by this clause to be completed at 2.00 p.m. (Toronto Time) on November 14, 1960 or at such other time and day as may be mutually agreed upon.

7. Hoyle agrees to call and on or before November 9, 1960 to hold a general meeting of its shareholders (a) to consider and if thought fit to confirm this agreement, (b) to consider and if thought fit to confirm an appropriate special resolution authorizing the sale to Ventures of Assets of Hoyle except Excluded Assets all as provided in this Agreement and (c) if this agreement and the special resolution are duly confirmed, to pass a resolution authorizing an application to the Lieutenant-Governor of the Province of Ontario for an order accepting the surrender of the charter of Hoyle and the distribution of its property rateably among its shareholders. Ventures agrees that it will not vote any shares of Hoyle owned by it either for or against the confirmation of this agreement or the special resolution at the said general meeting or at any adjournment thereof.

8. Ventures agrees that it will not in any way deal with any of the Preference Shares of Hoyle except as contemplated by this agreement.

9. The parties hereto agree that all transactions contemplated by clauses numbered 4, 5 and 6 hereof shall take place at the office of Ventures, 25 King Street West, Toronto, Ontario.

10. This agreement (except the provisions of clauses numbered 7 and 8 hereof) shall have no force or effect whatsoever unless and until it and the special resolution mentioned in clause numbered 7 hereof are duly confirmed by shareholders of Hoyle on or before November 9, 1960.

11. Time shall be of the essence hereof.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED, SEALED AND DELIVERED

VENTURES LIMITED

[ c.s. ]

per "H. J. FRASER"

President

per "S. F. TAIT"

Assistant Secretary

HOYLE MINING COMPANY LIMITED

[ c.s. ]

per "G. T. N. WOODROOFFE"

Vice-President

per "A. C. CALLOW"

Secretary







# *Hoyle Mining Company Limited*

## SCHEDULE OF ESTIMATED BREAK-UP VALUE

As at October 21, 1960

Cash ..... \$ 360,643

Investments in associated and other companies:

To be sold to Ventures Limited (Note a) —

	Number of shares	Indicated market value (Note b)
Falconbridge Nickel Mines Limited .....	5,390	\$ 178,544
Giant Yellowknife Mines Limited .....	89,813	1,145,116
Metal Hydrides Incorporated .....	27,554	243,026
Pine Point Mines Limited .....	42,705	437,726
Quebec Metallurgical Industries Ltd. ....	33,333	22,333
Sheldon Larder Mines Limited .....	245,899	22,131
Silver Standard Mines Limited .....	75,000	16,125
Thompson Lundmark Gold Mines Limited .....	627,349	351,315
Miscellaneous participations having market values of less than \$5,000 each .....		14,818
		<u>\$ 2,431,134</u>

To be distributed pro rata to the shareholders (Note a) —

Onaping Mines Limited (Note c) .....	3,002,745	Nil
Opemiska Copper Mines (Quebec) Limited .....	2,001,830	\$11,310,339
United Keno Hill Mines Limited .....	200,183	1,391,272

\$12,701,611 \$15,132,745

Other assets (Note d) ..... 1,000,000

\$16,493,388

Deduct:

Accounts payable and accrued charges (including provision for the estimated expenses of winding up the company) .....	\$ 74,194	
Arrears of dividends on preference shares accumulated up to September 7, 1960 .....	490,659	
Payable on purchase for cancellation of preference shares at a premium of 2% over par value ....	2,175,966	2,740,816

Estimated break-up value ..... \$13,752,572

Common shares outstanding ..... 3,002,745

Estimated break-up value per common share ..... \$ 4.58

Based on this estimated break-up value per common share, each shareholder of Hoyle Mining Company Limited would receive the following distribution per share if the agreement between Ventures Limited and Hoyle Mining Company Limited dated October 21, 1960 and the special resolution referred to therein should be confirmed by the shareholders of the latter company and all the transactions referred to in the agreement were completed:

$\frac{2}{3}$ share of Opemiska Copper Mines (Quebec) Limited having an indicated market value of .....	\$ 3.77
$\frac{1}{15}$ share United Keno Hill Mines Limited having an indicated market value of .....	.46
1 share Onaping Mines Limited having no indicated market value .....	Nil
Cash .....	.35 \$ 4.58

See accompanying notes to schedule of estimated break-up value.







# Hoyle Mining Company Limited

## NOTES TO SCHEDULE OF ESTIMATED BREAK-UP VALUE

As at October 21, 1960

- (a) Under an agreement dated October 21, 1960 between Ventures Limited and Hoyle Mining Company Limited, subject to its confirmation and the confirmation of the special resolution referred to therein by the shareholders of Hoyle:

Ventures has agreed —

- (i) to purchase certain investments in associated and other companies for their indicated market value on October 21, 1960 of \$2,431,134, and
- (ii) to purchase certain assets which do not have a market value for \$1,000,000.

Hoyle has agreed —

- (i) to pay all unpaid dividends accumulated up to September 7, 1960 on the preference shares of Hoyle. *and*
- (ii) to purchase for cancellation the preference shares of Hoyle at \$102 per share.

*Hoyle has also agreed* to call a general meeting of its shareholders, *to consider and if thought fit* to confirm the agreement and the special resolution referred to therein and *to* pass a resolution authorizing (a) an application for an order to surrender the charter of Hoyle and (b) the distribution of its property rateably among its shareholders. —

- if the agreement and the Special Resolution are confirmed.*
- (b) The market values shown are based on closing market prices at October 21, 1960. Because of the number of shares involved the indicated market value of certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.
  - (c) Onaping Mines Limited was incorporated to hold certain mining claims in the Sudbury Basin district, the value of which is presently indeterminable; accordingly the investment in this company is shown at no value.
  - (d) Other assets having a book value of \$329,451 (including shares of subsidiary, associated and other companies having no quoted market value, interests in mining properties, syndicate and participation agreements and exploration expenses) have been included at \$1,000,000, being the valuation placed on these assets in the agreement referred to in note (a) above.

## AUDITORS' REPORT

THE DIRECTORS,  
HOYLE MINING COMPANY LIMITED:

We have examined the schedule of estimated break-up value of Hoyle Mining Company Limited as at October 21, 1960. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the estimated break-up value per share as at October 21, 1960, as shown in the accompanying schedule, has been accurately computed on the bases set out in the notes appended to the schedule.

Toronto, Canada,  
October 24, 1960.

CLARKSON, GORDON & Co.,  
Chartered Accountants.







# Hoyle Mining Company Limited

(Incorporated under the laws of Ontario)

## BALANCE SHEET

October 21, 1960

### ASSETS

Cash .....		\$ 360,643.18
Investment in subsidiary, associated and other companies at cost less amounts written off:		
Subsidiary companies (Note 2) —		
Shareholdings .....	\$150,425.52	
Advances .....	7,698.55	\$ 158,124.07
Associated and other companies —		
Shareholdings .....	3,531,334.36	3,689,458.43
Other:		
Porcupine mining property at cost less amounts written off .....	\$ 1.00	
Expenditures on outside properties .....	42,929.22	42,930.22
		<u>\$4,093,031.83</u>

### LIABILITIES

Accounts payable and accrued charges (Note 1) .....		\$ 1,500.00
Shareholders' equity:		
Capital (Notes 3 and 4) —		
5¾% cumulative convertible redeemable preference shares of \$100.00 par value:		
Authorized and issued less purchased for cancellation — 21,333 shares	\$2,133,300.00	
Common shares of no par value:		
Authorized — 3,500,000 shares		
Issued — 3,002,745 shares .....	7,529,674.00	
		\$9,662,974.00
Contributed surplus (unchanged during the <sup>period</sup> year) .....	25,000.00	
		\$9,687,974.00
Deficit .....	5,596,442.17	4,091,531.83
		<u>\$4,093,031.83</u>

See accompanying notes to financial statements.







# *Hoyle Mining Company Limited*

## STATEMENTS OF PROFIT AND LOSS AND DEFICIT

For the Period January 1, 1960 to October 21, 1960

### PROFIT AND LOSS

Dividends received .....		\$	80,419.35	
Interest earned .....			36,130.47	
				\$ 116,549.82
Deduct:				
Administrative and general expenses .....	\$	19,626.91		
Income taxes deducted at source from dividends received .....		1,559.10		
Mine expense .....		1,348.16	22,534.17	
Profit for the period (excluding items credited to deficit) .....				<u>\$ 94,015.65</u>

### DEFICIT

Balance, December 31, 1959 .....				\$5,750,611.48
Deduct:				
Profit for the period .....	\$	94,015.65		
Profit on sales of securities (net) .....		45,126.21		
Recovery of amounts previously written off (net) .....		15,027.45	154,169.31	
Balance October 21, 1960 .....				<u>\$5,596,442.17</u>

See accompanying notes to financial statements.







# *Hoyle Mining Company Limited*

## STATEMENT OF INVESTMENT IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES

As at October 21, 1960

	Shareholdings			
	Number of shares	Indicated market value (note)	Cost less amounts written off	Advances
Subsidiary companies:				
Northern Kyanite Mines Limited .....	1,105,048		\$ 120,398.07	\$7,698.55
Onaping Mines Limited .....	3,002,745		30,027.45	
			<u>\$ 150,425.52</u>	<u>\$7,698.55</u>
Associated and other companies:				
Associated —				
Anyox Metals Limited .....	963,052		\$ 128,348.46	
Falconbridge Nickel Mines Limited .....	5,390	\$ 178,544.00	34,981.14	
Giant Yellowknife Mines Limited .....	89,813	1,145,116.00	873,670.40	
Metal Hydrides Incorporated .....	27,554	243,026.00	283,587.40	
Opemiska Copper Mines (Quebec) Limited .....	2,001,830	11,310,339.00	569,285.30	
Quebec Metallurgical Industries Ltd. ....	33,333	22,333.00	26,666.40	
United Keno Hill Mines Limited .....	200,183	1,391,272.00	1,201,262.70	
Miscellaneous participation of less than \$10,000 each .....		4,083.00	12,512.50	
		<u>\$14,294,713.00</u>	<u>\$3,130,314.30</u>	
Other —				
Pine Point Mines Limited .....	42,705	\$ 437,726.00	\$ 16,492.27	
Sheldon Larder Mines Limited .....	245,899	22,131.00	24,589.90	
Silver Standard Mines Limited .....	75,000	16,125.00	11,338.31	
Thompson Lundmark Gold Mines Limited .....	627,349	351,315.00	340,393.26	
Miscellaneous participations of less than \$10,000 each .....		10,735.00	8,206.32	
		<u>\$ 838,032.00</u>	<u>\$ 401,020.06</u>	
Total investment in associated and other companies ....		<u>\$15,132,745.00</u>	<u>\$3,531,334.36</u>	

NOTE: The market values shown above are based on closing market prices at October 21, 1960. Because of the number of shares involved the indicated market value of certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.







# Hoyle Mining Company Limited

## NOTES TO FINANCIAL STATEMENTS

As at October 21, 1960

1. Under an agreement dated October 21, 1960 between Ventures Limited and Hoyle Mining Company Limited, subject to its confirmation and the confirmation of the special resolution referred to therein by the shareholders of Hoyle:

Ventures has agreed —

- (i) to purchase certain investments in associated and other companies for their indicated market value on October 21, 1960 of \$2,431,134, and
- (ii) to purchase certain assets which do not have a market value for \$1,000,000.

Hoyle has agreed —

- (i) to pay all unpaid dividends accumulated up to September 7, 1960 on the preference shares of Hoyle, and
  - (ii) to purchase for cancellation the preference shares of Hoyle at \$102 per share.
- Hoyle has also agreed to call a general meeting of its shareholders to consider and to confirm the agreement and the special resolution referred to therein and to pass a resolution authorizing (a) an application for an order to surrender the charter of Hoyle and (b) the distribution of its property rateably among its shareholders.*
- (iv) to distribute its assets pro rata to its shareholders.

*The agreement and the special resolution are confirmed*

The accompanying financial statements make no provision for any expenses (estimated at \$72,691) that would be incurred in winding up the company if this agreement is approved and confirmed by the shareholders.

2. The accounts of the subsidiary companies have not been consolidated with those of the parent company as their assets and liabilities are not material in comparison with those of the parent company. The subsidiaries, which are inactive mining companies, have incurred no profits or losses since their incorporation.
3. The issued and outstanding preference shares may be redeemed in whole or in part by the company on 90 days' notice at par value and accumulated arrears of dividends together with a premium of \$2.00 per share if redeemed before September 8, 1961 with a reduction of \$1.00 in the premium for each of the two subsequent years.

The preference shareholders have the option of converting their preference shares into common shares at any time prior to September 8, 1965 on the basis of thirteen and one-third common shares for each preference share.

No dividends were declared on the cumulative preference shares during the <sup>period</sup> year. The accumulated arrears of dividends up to September 7, 1960 amount to \$490,659.

4. During the year 5 common shares were issued for cash at \$5.00 per share.

## AUDITORS' REPORT

TO THE DIRECTORS OF  
HOYLE MINING COMPANY LIMITED:

We have examined the balance sheet of Hoyle Mining Company Limited as at October 21, 1960 and the statements of profit and loss and deficit for the period January 1, 1960 to October 21, 1960. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss and deficit present fairly the financial position of the company as at October 21, 1960 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
October 24, 1960.

CLARKSON, GORDON & CO.,  
Chartered Accountants.



